

REMARKS

I. Status Of Claims

Claims 1-22 are pending.

Claims 1-22 stand rejected.

III. Rejection Under 35 U.S.C. §103

The Examiner has rejected claims 1-22 under 35 U.S.C. §103(a) as being unpatentable over Luchs et al (U.S. 4,831,526) in view of Bosco et al (U.S. 5,191,522).

Firstly, a claimed invention is *prima facie* obvious when three basic criteria are met: (1) there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine the teachings therein; (2) there must be a reasonable expectation of success; and (3) the prior art reference or combined references must teach or suggest all the claim limitations.

The references cited, individually or in combination, contrary to the Examiner's position, do not teach, disclose, or provide the motivation for one skilled in the art to develop the novel features of the present invention as suggested by the Examiner, as will be shown.

It is the Examiner's position with regard to independent claim 1 that Luchs discloses every step of claim 1 except for automatically rendering the insurance underwriting instrument using said data indicative of said insurance customers and calculated premium payment in response to a request therefore. The Bosco disclosure is drawn to an integrated information storage processing and reporting system:

"...for processing and supervising a plurality of group insurance accounts was (sic) constructed with a single enterprise-wide relational data base. The system provides sales, underwriting, administration and actuarial functions through integrated program-controlled data processing systems specific for each function and communicating with a group insurance account data bank. Each function is accessible through a single integrated workstation (see, Abstract '522, emphasis supplied)."

It further recites in part:

"At the conclusion of a policy period, an accounting must be performed to determine the case's financial status. At this time retention as well as reserve requirements are calculated and refunds are due. The Retrospective Accounting program module 97 automates the routine calculations that are necessary at the

end of an accounting period for each case and provides policyholder and case exhibits. This module 97 allows for alternate funding and monthly accounting Minimum Premium Plans plans to be tracked and monitored with greater

The Prospective Pricing program module 98 performs the routine calculations necessary to determine premium needs for a prospective policy period for each case. Rates can be determined and updated as necessary. Formulas can be monitored and maintained within the system in order to assure continuity and consistency from case to case.” (See, Col. 27, lines 11-29).”

The present invention is drawn to a method for issuing fidelity bonds or surety bonds that are insurance underwriting instrument. The Bosco invention is a reporting system for processing and supervising a plurality of group insurance accounts. In fact the insured is defined as a person (employee/member or dependent) with one or more in-force coverages provided under a Group Insurance plan. This entity provides descriptive information about individuals who have selected coverages made available to them as participants (or dependents of participants) in a group insurance plan. The present invention relates not to group insurances but provided bonds to employers and typically contractors that need to back up their performance with a financial instrument such as a bond. The present invention and the Bosco invention have two different applications and because one might calculate something, does not imply the other calculates toward the same end.

The distinction between the two systems is quite apparent. Nothing in the present invention deals with an accounting at the conclusion of a policy period. Nothing in the present invention is indicated about setting up reserves. These are the motivations behind Bosco, but as such there would be no motivation for the Applicant to consider these objectives since the present invention deals with issuing fidelity or surety bonds.

Furthermore, there would be no motivation for the Applicant to use the insurance customer's data to determine premium needs for a prospective policy period for each case render such a policy since it is not issuing policies in the first place.

The critical teaching in the present invention is that it uses information provided by an insurance or bonding agent regarding the monetary size of the required bond, the type of industry the bond will be used for and other information that is essentially for the purpose of writing a bond typically to guarantee contracted for performance. It is not the usual insurance liability policy that is being rendered. Because the invention as amended is now drawn to issuing a

fidelity bond or a surety bond, Luchs in view of Bosco fails because the prior art reference or combined references do not teach or suggest all the claim limitations. There is simply no suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the references or to combine the teachings.

To emphasize the distinction between the cited references and the present invention, the Applicant as amended claim 1 to include as a limitation issuing a fidelity bond or a surety bond insurance underwriting instrument. As such, claim 2 is rendered surplus. However, since claim 2 now appears as an element of claim 1, the Applicant takes issue with the rejection of claim 2 on the grounds that Luchs discloses a fidelity policy and surety bond because it refers to "umbrella" coverage. The difference between umbrella coverage and a fidelity policy and surety bond are quite distinct in the insurance industry and one cannot conflate or confuse either to include the other. In fact a fidelity policy creates a fidelity bond and essentially performs the same function as a surety bond. These are bonds that typically guarantee performance and are not insurances per se.

Online Insurance Glossary, a website devoted to insurance coverage, defines:

"Surety Bond: A bond guaranteeing that a principal will carry out the obligation for which they are bonded for. Most often this is issued to a contractor (see, http://www.quoteforms.com/glossary/glossary_u.htm)."

"Fidelity Bond: A bond that will reimburse an employer for losses caused by dishonest or fraudulent acts of employees (see, http://www.quoteforms.com/glossary/glossary_f.htm)."

"Umbrella Liability Policy: Provides excess amounts of insurance above the primary policy as well as additional liability coverage's (http://www.quoteforms.com/glossary/glossary_u.htm)."

At insure.com a website devoted to insurance coverage the term *umbrella* is defined in the context of insurance as:

"umbrella liability: If your auto and home are insured with the same carrier, you probably can get supplemental liability coverage from your insurer. This is generally a very good and affordable idea, but only if you have underlying wealth that needs to be shielded from lawsuits. By insuring your car and home, it is cost-effective for your insurer to extend bigger-dollar liability coverage to both areas (hence the "umbrella" concept). If, for example, you have 100/300 auto liability (\$100,000 liability for each person insured in an accident; \$300,000 total liability

for the accident) and \$100,000 liability on your homeowner's insurance, you can usually extend this to \$1 million for a few hundred bucks a year (premiums vary by company and its assessment of your own risk) (see, http://info.insure.com/glossary/new_results.cfm?pid=487).”

The Luchs reference simply does not recite a critical element of the invention, that of a surety or fidelity bond. Appellant therefore respectfully requests that the Examiner provide a reference that teaches or suggests that umbrella coverage, a fidelity policy, and a surety bond within the same legal, insurance or financial classification of things. Liability is a legal status whereas a bond is a chose in action or a legal right.

Neither Luchs nor Bosco recite two critical elements of the present invention: (a) an insurance underwriting instrument that is automatically stored and (b) that of a surety or fidelity bond. Because these two elements are missing from each of the cited references, one could not successfully combine Luchs and Bosco and achieve a system that worked according to the present invention. The prior art reference or combined references must teach or suggest all the claim limitations and they simply do not.

Applicant respectfully disagrees with and traverses the Examiner's re-stated reasons for rejecting claim 1 and submits that claim 2 would be allowable except for the amendment that now includes its limitation in claim 1. Applicant believes that the present invention is not obvious in view of the references cited by the Examiner for reasons set forth below.

The Examiner has rejected claim 7, claim 21, and in part claim 18 on the grounds that Luchs discloses each element except essentially (a) calculating premium payments for said entered requests, and (b) rendering said selected forms. The rejection of claim 7 and claim 18 (by incorporated reference) additionally referred to the step of (c) automatically selecting ones of a plurality of forms in response to said entered data, as lacking in Luchs. However, the Examiner argues that all the features (a) through (c) above are evidenced by Bosco. The Applicant cannot find references to (b) or (d) in the reference Bosco locations. In pertinent part Bosco discloses (emphasis supplied):

“The Estimated Billing program module 78 estimates billing on new business until the new issue process is finalized. This module 78 generates a monthly bill for the policyholder based on the premium as estimated by the Sales Representative. A premium reconciliation occurs when the new issue process is

completed, and the actual census and premium information is obtained.

A self-administered policyholder maintains all records pertaining to participants and coverage under his Group insurance plan. Self-administered premium statements for such policyholders are generated by the Self-Administered Billing program module 79 on a stated frequency which reflects the coverage, bill mode, bill categories, rate structure and bill location. A separate bill may be prepared for each location or several locations may be combined as desired by the client. The bills generated report census, payroll and premium data including any prior adjustments.

The multi-functional List Billing program module 80 accommodates billing for traditional small group participants in addition to more contemporary and complex applications. Depending on bill frequency, the list bill reflects each participant's elected coverage, benefit, class and premium due for that period. This module 80 provides the support to administer the Health Maintenance Organization/Preferred (sic) provider Organization environment, managed healthcare and flexible benefits. (See, Col 24, lines 44-68 to Col. 25, lines 1-2)"

Bosco, with respect to claim 7 does not teach the step of automatically selecting ones of a plurality of forms in response to said entered data, and rendering said selected forms. To simply calculate a bill fails to suggest the step of a calculation as in the present invention that is used to select from a number of different forms and then prepare a selected form for the purpose of issuing a bond. The fact that Bosco does not contain the element disqualifies it as a reference against the present invention.

Bosco, with respect to claim 21 does not teach the step of calculating premium payments for said entered requests and rendering said selected forms. To simply calculate a bill fails to suggest the step of a calculation as in the present invention that then permits preparation of the form for the purpose of issuing a bond. The fact that Bosco does not contain the element disqualifies it as a reference against the present invention.

Having shown that neither Luchs nor Bosco individually or combined teach, disclose or provide the motivation for one skilled in the art to develop the novel features of the present invention as applied to claim 7 and 21, Applicant submits that the Examiner's combination of such references is not justified. Accordingly, the reasons for rejecting claim 7 and 21 as amended are not sustainable.

Furthermore, even if the references were combined in some manner, the combined teachings would not, as shown above, include each of the steps of the Applicant's invention

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because it would not work (would not be enabled) because there is no step of rendering the form and thereafter producing the form for a surety or fidelity bond. The Luchs reference simply does not teach the present invention.

Applicant respectfully requests reconsideration, withdrawal of the rejection, and allowance of claims 7 and claim 21 because the combined teachings would not, as shown above, include each of the steps of the Applicant's invention and therefore would not work.

The Examiner has rejected each of the dependent claims based on a rejection of the independent claim from which they depend. Accordingly, the Applicant's remarks made in response to claims 1, 7, 18 and 21 are also applicable in response to the rejection of each of the dependent claims 2-6, 8-17, 18-20, and 21-22. In view of the remarks made with regard to the rejection of claims 1, 7, 18 and 21, which are repeated herein in response to the rejection of the dependent claims, Applicant respectfully submits that the Examiner's rejection of the dependent claims can no longer be sustained. Applicant respectfully requests withdrawal of the rejection and allowance of each of the dependent claims.

Applicant submits that the reasons for the Examiner's rejection of the claims have been overcome and can no longer be sustained. Applicant respectfully requests reconsideration, withdrawal of the rejection and allowance of the claims.

IV. Conclusion

Having addressed the Examiner's objections to the specification and rejection of the claims under 35 U.S.C. §103, Applicant submits that the reasons for the Examiner's rejection have been overcome and can no longer be sustained. Applicant respectfully requests reconsideration, withdrawal of the objection and rejection, and that a Notice of Allowance regarding all the claims be issued.

If the Examiner believes that the prosecution of this matter may be advanced by a telephone call, the Examiner is invited to contact Applicant's attorney at the telephone number indicated below.

V. Fees

No fees are believed necessary for filing this election and response. However, the Commissioner for Patents is hereby authorized to charge any additional fees or credit any excess payment that may be associated with this communication to Duane Morris LLP deposit account 04-1679.

Serial Number: 09/738,023

September 28, 2004

Respectfully submitted,

Dated: Sept 28 2004

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